

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 96-147-C - ORDER NO. 96-488  
JULY 23, 1996

IN RE: Application for Approval of Transfer	) ORDER APPROVING
of Assets and Certificate of Authority	) TRANSFER OF
from Target Telecom, Inc. to TTI	) ASSETS AND
National, Inc.	) CERTIFICATE OF
	) AUTHORITY

This matter comes before the Public Service Commission of South Carolina ("the Commission") on the joint Application of Target Telecom, Inc. ("Target"), TTI National, Inc. ("TTI") and WorldCom, Inc. d/b/a LDDS WorldCom ("WorldCom") (hereafter collectively referred to as "the Applicants") requesting approval to transfer certain assets and the Certificate of Authority from Target to TTI pursuant to an Asset Purchase Agreement signed by the Applicants on March 7, 1996. The Application was filed pursuant to S.C. Code Ann. §58-9-310 (Supp. 1995).

The Application was filed with the Commission on May 2, 1996. The Application requested approval to transfer from Target to TTI certain contracts to provide service to selected end-users of telecommunications services together with certain associated goodwill, revenues, reports, records, and documentation. The Application states that Target will cease operating in South Carolina after this transaction and requests transfer of its Certificate of Public Convenience and Necessity to TTI.

By letter dated May 14, 1996, the Commission's Executive Director instructed the Applicants to publish a prepared Notice of Filing in newspapers of general circulation in the areas affected by their Application. The purpose of the Notice of Filing was to inform interested parties of the Application and of the manner and time in which to file comments or pleadings for participation in this proceeding. The Applicants complied with the instructions of the Executive Director and submitted affidavits of publication to this effect. No protests or Petitions to Intervene were received by the Commission.

Pursuant to S.C. Code Ann. §58-9-310 (Supp. 1995), a public hearing regarding the Application was held in the Commission's hearing room at 111 Doctors Circle on July 16, 1996 at 11:00 a.m. The Honorable Guy Butler, Chairman, presided. The Applicants were represented by Frank R. Ellerbe, III, Esquire, and the Commission Staff was represented by Catherine D. Taylor, Staff Counsel.

The Applicants presented Brian Sulmonetti to testify and explain the proposed asset transfer. Mr. Sulmonetti is a Director of Regulatory Affairs for WorldCom, which is the parent company of TTI, the Company acquiring the assets. Mr. Sulmonetti explained that the Applicants have entered into an Asset Purchase Agreement whereby TTI will acquire the following selected assets from Target: (1) customer accounts, including subscription agreements and other contracts between Target and its customers; (2) all customer lists; (3) accounts receivable; and , (4) all books and records relating to the business being transferred.

Mr. Sulmonetti also stated that Target's existing customers will receive the identical service offerings from TTI and that the entire transaction will be virtually transparent to the customers involved. Additionally, Mr. Sulmonetti offered that approval of the transfer would be in the public interest because TTI and WorldCom will be able to expand, offer additional services and provide a more competitive long distance market in South Carolina.

Upon review and consideration of the Application, the testimony presented at the hearing, and the applicable law, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Target is a privately-held New Jersey corporation certified as a reseller in South Carolina pursuant to Order No. 95-1046 in Docket No 94-680-C.

2. WorldCom is a publically-held Georgia corporation and the parent company of TTI. TTI is incorporated under the laws of the State of Delaware, is qualified to transact business in South Carolina, and was formed specifically for the purpose of facilitating the acquisition of Target's assets by WorldCom.

3. Both Target and WorldCom are resellers of interexchange telecommunications services, and both Target and WorldCom are authorized to provide intrastate services in South Carolina. WorldCom's wholly owned subsidiary TTI is fit, willing and able to be certified as a provider of telecommunications services or, as contemplated here, to receive the Certificate previously granted to

Target.

4. Target and TTI have entered into an Asset Purchase Agreement whereby TTI will acquire the following selected assets from Target: (1) customer accounts, including subscription agreements and other contracts between Target and its customers; (2) all lists relating to the assets of the business including lists of existing, potential or prior customers and existing, potential or prior vendors; (3) accounts receivable; and, (4) all books, files, promotional materials, records and other documents relating to the business being transferred.

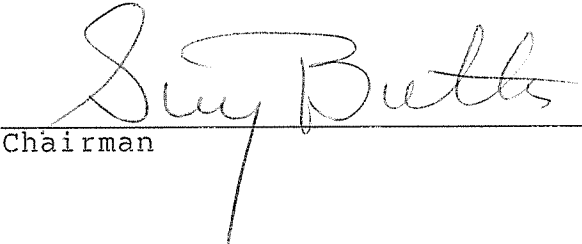
5. The asset transfer as described in the Application is in the public interest, and therefore, the Commission approves the requested transfer of assets as stated herein.

6. The Commission also approves transfer of Target's Certificate of Authority to TTI as requested.

7. Upon closing this transaction, TTI/WorldCom will provide telecommunications services to Target's former customer base.

8. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Deputy Executive Director

(SEAL)